

# State CFAC Presentation 1915 b/c Waiver Entity Project January 14, 2010

North Carolina  
Divisions of Medical Assistance  
and  
Mental Health, Developmental  
Disabilities and Substance Abuse  
Services



NC Division of  
**Medical Assistance**

North



## The DHHS Secretary Request

- In May 2009, the Secretary requested that DMH and DMA develop a 1915 b/c Medicaid waiver application or amendment, similar to PBH's waiver, for submission to CMS by Dec. 15, 2009
- In June a Waiver Leadership Vision Team was created
- Vision Statement: Responsible Change to Achieve Easy Access, Better Quality and Personal Outcomes
- Waiver Amendment submitted to CMS on December 16, 2009
- Building upon the success of the past, we anticipate having additional waiver entities in the future, based upon continued success.
- How did we get here?

# PBH – A Waiver Pilot Project

- 2003 – PBH Local Business Plan, as part of NC Mental Health Reform effort, proposed to fully divest of all services shifting from an Area Program, provider of services, to a manager of services as a Local Management Entity (LME); and then into the role of a waiver entity.
- 2004 – PBH continued to refine the LME management model while working on the CMS (Center for Medicare and Medicaid Services) waiver application to become a 1915 b/c Waiver Pilot.
- 2005 – CMS awarded PBH, through DMA, the right to administer and manage a State 1915 b/c waiver as a pilot project for the delivery of publicly funded MH/DD/SA services operating in Cabarrus, Davidson, Rowan, Stanly, and Union Counties.

# PBH – A Waiver Pilot Project

- Since 2005 PBH has effectively managed a comprehensive MH/DD/SAS provider network, responsible for authorizing payments for services, processing and paying claims, and conducting utilization and quality management functions. PBH manages both Medicaid and State Funded services.
- Annual Reviews...
  - PBH had concurrent annual reviews by Mercer / DHHS – Monitoring Team (DMA & DMH) reviews, as well as
  - independent assessment review for CMS ensuring a continued or improved standard of consumer access, quality of services and cost effectiveness is maintained.
- These annual reviews... provide a waiver entity the opportunity to built upon improvements for effectiveness, quality, and cost savings.

# Legislative Report

- **Legislative Report Medicaid Waivers for LMEs S.L. 2008-0107 Section 10.15(y) April 2009**
  - DHHS recommended that DMA & DMHDDSAS research and plan with the goal of applying for a waiver for a regionally-based, at-risk, Managed Behavioral Healthcare (MBH) plan for the State of North Carolina.
  - A regionally-based model would capitalize on the current resources and the LME system in the State allow for at-risk managed care contract(s) allowing for cost containment, improved quality and efficiency.
  - DHHS recommends that all stakeholders including LMEs, consumers and their families, providers, advocacy groups, and other relevant entities be included in the planning process.

## The DHHS Secretary Request

- The Legislative Report resulted in the Secretary's request to initiate waiver entity expansion project
- Vision Statement: Responsible Change to Achieve Easy Access, Better Quality and Personal Outcomes
- Steps of moving forward....

## Initial Communications Documents

- DMA Medicaid Bulletin released December 2009
- DMH Communication Bulletin #106 issued in December 2009
- DMA/DMH released Implementation Update #66, January 2010
- Fact Sheets
- Future DMA and DMHDDSAS Waiver Web page
- Future release of Request For Applications (RFA)

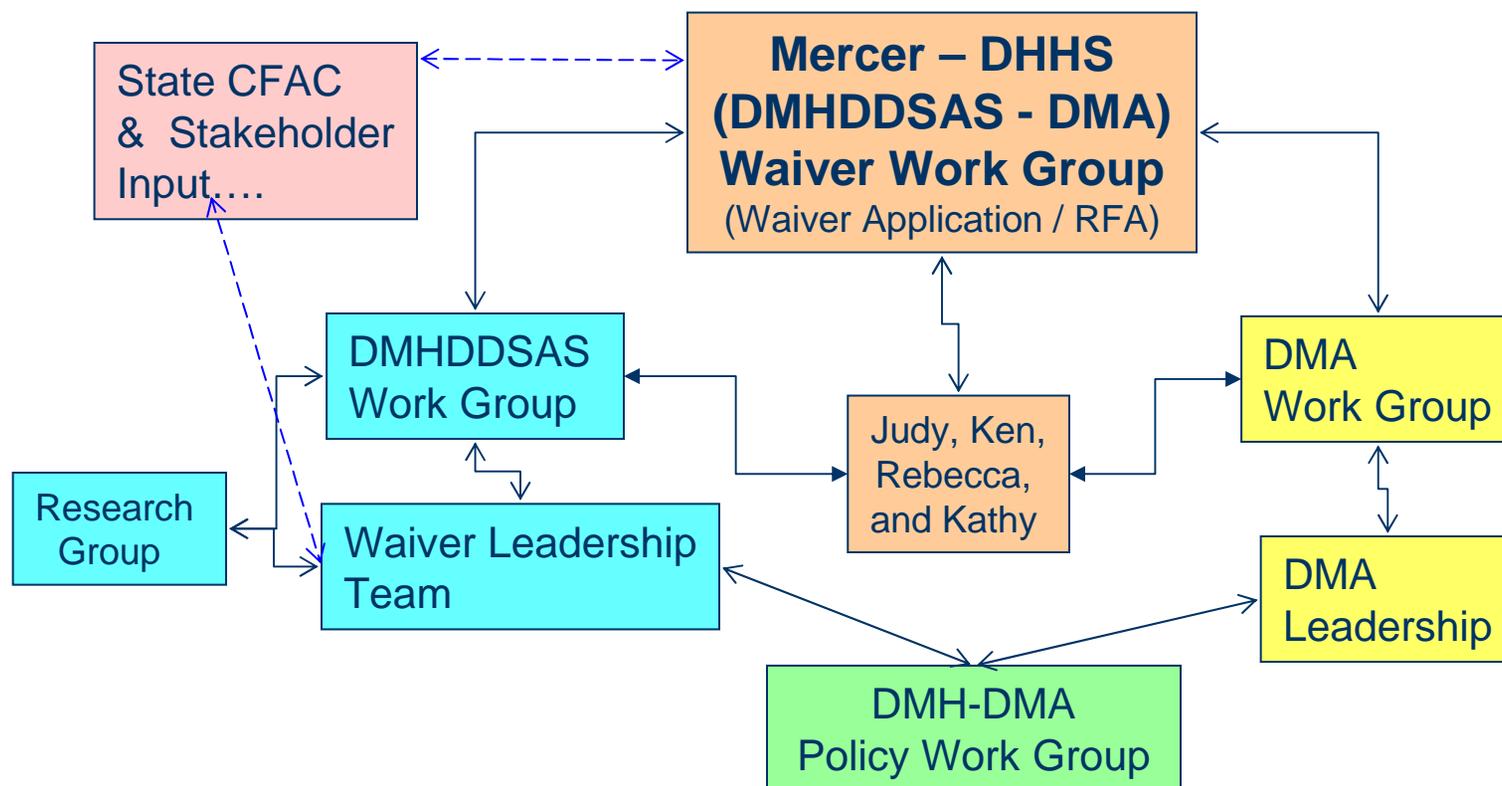
## Policy issues / discussions for Waiver Entities

- **Capitation** – provides local flexibility and control of resource funding.
- **Payor of claims** – ensures that funds are spent in accordance with authorizations.
- **Rate setting authority** – allows the waiver entity to adjust rates according to local conditions.
- **Closed Network** – allows for competition and choice while right sizing the marketplace; ensures health of providers.
- **Utilization Management** – give the waiver entity the tools to ensure consumers receive both the appropriate service and amount to meet their needs.
- **Care Management** – an important activity that directly intervenes to direct consumers to the right level of care.

## The Minimum Requirements for a LME to become a Waiver Entity

- Total Population size or Medicaid Eligible Covered persons
- Divested from providing services
- Successful management of Single Stream Funding
- 3 Year Accreditation as a Management Entity with NCQA / URAC
- Must possess a computer system capable to perform the functions of a managed care organization
- Ability to carry out and demonstrate the functions of a waiver entity as required by CMS, DMA and DMH and as specified the contracts.

## Waiver Leadership Team and Structure



## Waiver Timeline

- Waiver Amendment request submitted on December 16, 2009
- Prepare and post RFA (Request For Application) – February 2010
- RFA Applications due – April 2010
- Desk Review and Site Review of RFA – April / May 2010
- Announcement of LME waiver entity – July 2010
- Waiver Expansion Start Date – dependent upon numerous factors i.e. CMS approval, Technical Amendment of new region, transition time line of new entity.

## Waiver Timeline

- The State will select one or two LME waiver entities to begin operations in SFY 2010/2011
- Based upon continued success of PBH and the new waiver entity(s) then the state will issue additional RFAs in the future to establish more waiver entities.
- The goal is to build success upon success and to built in quality improvement for the waiver project.

## Stakeholder Involvement

- The Waiver Leadership Team since initiation involved the Consumer and Customer Services Section.
- As part of the RFA process consumers and families will be involved in the application review and waiver entity selection process.
- We anticipate as LMEs express interest and apply there will be involvement and input into the local process as well.
- We will continue to present and discuss with engaged stakeholders in our efforts as we move forward.

## Why is this waiver project important to you as a stakeholder?

- Vision Statement: Responsible Change to Achieve Easy Access, Better Quality and Personal Outcomes
- A waiver entity can be better managed by reliable data, management decisions are made based upon data, (validated by CMS reviewers), resulting in better management decisions by and for waiver entities
- Better Data allows to State (DMHDDSAS and DMA) to better manage by consistent reliable data to build upon collaboration with stakeholders.
- Waivers result in overall cost savings for DMH and DMA... as tax payers that is important, as consumers and providers that is important
- Waivers allow for the reinvesting of saved dollars into existing or new services (under B-3 Services)
- Better quality strengthens our providers = improved outcomes for consumers

## Additional Information

- Additional information about this 1915 b/c waiver project will be provided through designated DMA and DMHDDSAS Waiver Web pages and joint communications and a special series of fact sheets over the next couple of years.
- How can we better communicate this type of information?
- Your input and comments are valued and appreciated. Your input makes us, collectively, a stronger mh/dd/sas system serving individuals and families.

## Questions / Comments

- Questions ? ? ?
- Your thoughts and comments are appreciated

Thank You !

## Divisions Home Web Pages

Web site contact information:

- [www.ncdhhs.gov/mhddsas/](http://www.ncdhhs.gov/mhddsas/)
- [www.ncdhhs.gov/dma/](http://www.ncdhhs.gov/dma/)